

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

No. C 08-04567 CW

MONOLITHIC POWER SYSTEMS, INC.,

Plaintiff,

v.

O2 MICRO INTERNATIONAL LIMITED,

Defendant.

O2 MICRO INTERNATIONAL LIMITED,

Counterclaimant,

v.

MONOLITHIC POWER SYSTEMS, INC.;
ASUSTEK COMPUTER INC.; ASUSTEK
COMPUTER INTERNATIONAL AMERICA; BENQ
CORPORATION; and BENQ AMERICA CORP.,

Counterclaim-Defendants.

ORDER ON CLAIM
CONSTRUCTION, CROSS
MOTIONS FOR SUMMARY
ADJUDICATION AND
SUMMARY JUDGMENT,
MPS AND ASUSTEK'S
MOTION TO STRIKE, O2
MICRO'S EVIDENTIARY
OBJECTIONS AND
ALTERNATIVE MOTION
FOR LEAVE TO
SUPPLEMENT RECORD
AND O2 MICRO'S
SECOND MOTION FOR
LEAVE TO SUPPLEMENT
THE RECORD
(Docket Nos. 157,
233, 238, 250, 252)

Counterclaimant O2 Micro International Limited and
Counterclaim-Defendants Monolithic Power Systems, Inc. and ASUSTeK
Computer Inc. and ASUSTeK Computer International America
(collectively, ASUSTeK)¹ dispute the meaning of phrases used in O2
Micro's U.S. Patent No. 7,417,382 ('382 patent). In addition, O2

¹ In June, 2009, O2 Micro and BenQ stipulated to the dismissal
of O2 Micro's claims against BenQ.

1 Micro moves for summary adjudication on the authenticity of
2 schematics dated "Feb., 18, 1998" and on the invention date of the
3 '382 patent (Docket No. . MPS and ASUSTeK oppose the motion, and
4 cross-move for summary judgment of invalidity and non-infringement
5 and summary adjudication of the date of conception and lack of
6 willfulness. MPS and ASUSTeK also move to strike portions of O2
7 Micro's papers. O2 Micro opposes their motions and objects to
8 evidence submitted along with MPS and ASUSTeK's surreply brief. In
9 a motion filed after briefing concluded on these matters, O2 Micro
10 seeks to supplement the record with material from In the Matter of
11 Certain Cold Cathode Fluorescent Lamp ("CCFL") Inverter Circuits
12 and Products Containing Same, Inv. No. 337-TA-666, the parallel
13 International Trade Commission (ITC) proceeding on infringement of
14 the '382 patent. The motions were heard on December 10, 2009.
15 Having considered the parties' papers, the evidence cited therein
16 and oral argument, the Court construes the disputed phrases as set
17 forth below. In addition, the Court DENIES O2 Micro's motion for
18 summary adjudication; DENIES MPS and ASUSTeK's motion for summary
19 judgment of invalidity and non-infringement; GRANTS MPS and
20 ASUSTeK's motion for summary adjudication of the date of
21 conception; GRANTS MPS and ASUSTeK's motion for summary
22 adjudication of lack of willfulness; DENIES MPS and ASUSTeK's
23 Motion to Strike; OVERRULES as moot O2 Micro's evidentiary
24 objections;² and DENIES O2 Micro's motion to supplement the record.

25
26 ² Along with its evidentiary objections, O2 Micro filed an
27 alternative motion to supplement the record, arguing that if the
28 Court were to admit the evidence to which it objected, the Court
should consider the evidence in context. The Court overrules the
(continued...)

BACKGROUND

The '382 patent is entitled "High-Efficiency Adaptive DC/AC Converter." It claims a direct current (DC) to alternating current (AC) power converter circuit. More specifically, the '382 patent claims a high efficiency controller circuit that regulates power delivered to a load using a zero-voltage-switching technique. Although the disclosed invention has general utility as a circuit for driving one or more cold cathode fluorescent lamps (CCFLs), it can be used with any load where high efficiency and precise power control is required.

The '382 patent is a continuation of O2 Micro's U.S. Patent No. 6,804,129 ('129 patent), which is a continuation of U.S. Patent No. 6,396,722 ('722 patent), which is a continuation of U.S. Patent No. 6,259,615 ('615 patent). The '382 and '722 patents claim priority based on U.S. Provisional Application No. 60/145,118, which was filed on July 22, 1999. The '722 patent was at issue in an earlier patent infringement case between O2 Micro and MPS and ASUSTeK, which was before this Court. See Monolithic Power Sys., Inc. v. O2 Micro Int'l Ltd., Nos. 04-2000, 06-2929 (N.D. Cal.). There, a jury found O2 Micro's asserted claims invalid because the invention was on sale in the United States before July 22, 1998 and because the claimed invention was obvious. The jury found that MPS and ASUSTeK did not establish invalidity based on anticipation or prior invention.

O2 Micro accuses MPS products of infringing Claims 1, 2, 4, 6,

²(...continued)
objections as moot because it did not consider the evidence to which O2 Micro objected. Accordingly, the Court likewise denies O2 Micro's alternative motion as moot.

1 7, 8, 9, 11, 13 and 14 of the '382 patent. It accuses MPS and
2 ASUSTeK of willful infringement and seeks enhanced damages.

3 PROCEDURAL HISTORY

4 This case began as a declaratory judgment action by MPS
5 against O2 Micro to establish that MPS's MP1009 inverter and
6 related products do not infringe O2 Micro's U.S. Patent Nos.
7 6,856,519; 6,809,938; 6,900,993; 7,120,035; or the '382 patent.
8 MPS also sought a declaration that these patents are invalid. O2
9 Micro answered MPS's complaint and counterclaimed for infringement
10 of its '382 patent, among others. O2 Micro added as Counterclaim-
11 Defendants ASUSTeK and BenQ Corporation, both of which allegedly
12 sell devices that contain MPS's accused products.

13 In July, 2009, the Court dismissed with prejudice, pursuant to
14 stipulation by O2 Micro, MPS and ASUSTeK, all claims and
15 counterclaims except for those concerning the '382 patent.

16 DISCUSSION

17 I. Claim Construction

18 A. Legal Standard

19 The construction of a patent is a matter of law for the Court.
20 Markman v. Westview Instruments, Inc., 517 U.S. 370, 372 (1996).

21 "It is a 'bedrock principle' of patent law that 'the claims of a
22 patent define the invention to which the patentee is entitled the
23 right to exclude.'" Phillips v. AWH Corp., 415 F.3d 1303, 1312
24 (Fed. Cir. 2005) (en banc) (quoting Innova/Pure Water, Inc. v.
25 Safari Water Filtration Sys., Inc., 381 F.3d 1111, 1115 (Fed. Cir.
26 2004)). Accordingly, in construing disputed terms, the Court first
27 looks to the words of the claims. Vitronics Corp. v. Conceptronic,
28 Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996). Generally, the Court

1 ascribes the words of a claim their ordinary and customary meaning.
2 Id. The Federal Circuit instructs that "the ordinary and customary
3 meaning of a claim term is the meaning that the term would have to
4 a person of ordinary skill in the art in question at the time of
5 the invention, i.e., as of the effective filing date of the patent
6 application." Phillips, 415 F.3d at 1313. Other claims of the
7 patent in question can also assist in determining the meaning of a
8 claim term. Id. at 1314. "Because claim terms are normally used
9 consistently throughout the patent, the usage of a term in one
10 claim can often illuminate the meaning of the same term in other
11 claims." Id.

12 The Federal Circuit also instructs that claims "must be read
13 in view of the specification, of which they are a part." Id. at
14 1315 (quoting Markman v. Westview Instruments, Inc., 52 F.3d 967,
15 979 (Fed. Cir. 1995) (en banc)). The specification must contain a
16 description of the invention that is clear and complete enough to
17 enable those of ordinary skill in the art to make and use it, and
18 thus the specification is "always highly relevant" to the Court's
19 claim construction analysis. Vitronics, 90 F.3d at 1582.

20 "Usually, [the specification] is dispositive; it is the single best
21 guide to the meaning of a disputed term." Id. In some cases, the
22 specification may reveal that the patentee has given a special
23 definition to a claim term that differs from its ordinary meaning;
24 in such cases, "the inventor's lexicography controls." Phillips,
25 415 F.3d at 1316. The specification also may reveal the patentee's
26 intentional disclaimer or disavowal of claim scope. "In that
27 instance, as well, the inventor has dictated the correct claim
28 scope, and the inventor's intention, as expressed in the

1 specification, is regarded as dispositive." Id. However, claims
2 are not limited to the preferred embodiment described in the
3 specification. See SRI Int'l v. Matsushita Elec. Corp. of Am., 775
4 F.2d 1107, 1121 (Fed. Cir. 1985) (en banc, plurality opinion).

5 While emphasizing the importance of intrinsic evidence in
6 claim construction, the Federal Circuit has authorized courts to
7 rely on extrinsic evidence, which consists of "all evidence
8 external to the patent and prosecution history, including expert
9 and inventor testimony, dictionaries, and learned treatises."

10 Phillips, 415 F.3d at 1317 (quoting Markman, 52 F.3d at 980).

11 While extrinsic evidence may be useful to the Court, it is less
12 significant than intrinsic evidence in determining the legally
13 operative meaning of claim language. Id.; see also C.R. Bard, Inc.
14 v. U.S. Surgical Corp., 388 F.3d 858, 862 (Fed. Cir. 2004).

15 Furthermore, extrinsic evidence is unlikely to lead to a reliable
16 interpretation of claim language unless considered in the context
17 of the intrinsic evidence. Phillips, 415 F.3d at 1319.

18 B. Analysis

19 The parties dispute language contained in Claims 1 and 8 of
20 the '382 patent. The relevant text from both claims describes:

21 a timer circuit coupled to said first feedback signal
22 line for providing a time-out sequence of a predetermined
23 duration when said first voltage signal exceeds a
predetermined threshold for said predetermined duration;

24 and a protection circuit coupled to said timer circuit,
25 said first switch and said second switch for shutting
down said first switch and said second switch after said
predetermined duration.

26 '382 patent, col.11:9-16 to col.12:37-44. The parties identify
27 three clauses for construction: "a timer circuit . . . for
28 providing a time-out sequence of a predetermined duration;" "when

1 said first voltage signal exceeds a predetermined threshold for
2 said predetermined duration;" and "shutting down said first switch
3 and said second switch after said predetermined duration."

4 1. "a timer circuit . . . for providing a time-out
5 sequence of a predetermined duration"

6 O2 Micro proposes that the Court adopt the following
7 construction: "a circuit that provides a predetermined amount of
8 time before shutdown occurs." MPS, arguing that the timer circuit
9 has no role in the circuit's shutdown process, proposes an
10 alternative construction: "a circuit that measures a time period
11 having a duration determined beforehand."

12 The claim language clearly provides that it is the protection
13 circuit, not the timer circuit, that shuts down the power supply to
14 the CCFL. See '382 patent, col.11:13-16. Thus, contrary to O2
15 Micro's argument, it is not necessary to include language calling
16 for "shutdown" in the description of the timer circuit. At the
17 claim construction hearing, O2 Micro agreed that the "time-out
18 sequence" is a time period. Accordingly, the Court construes the
19 language above as follows: "a timer circuit . . . that measures a
20 time period having a duration determined beforehand."

21 2. "when said first voltage signal exceeds a
22 predetermined threshold for said predetermined
23 duration"

24 The parties' proposed constructions reflect their dispute on
25 how the timer circuit functions. O2 Micro maintains that the timer
26 circuit measures only one predetermined time period and proposes
27 the following construction: "when the first voltage signal exceeds
28

1 and continues to exceed³ a predetermined threshold for the
2 predetermined amount of time, shutdown occurs." In contrast, MPS
3 and ASUSTeK assert that the timer circuit measures two time
4 periods. In their view, the timer circuit first determines whether
5 the voltage signal exceeds a predetermined threshold for a
6 predetermined duration. If this condition is met, the timer
7 circuit then waits a second time period, equal to the predetermined
8 duration, before signaling to the protection circuit that shutdown
9 should occur. MPS and ASUSTeK's proposed construction reflects
10 this interpretation: "the time-out sequence begins after the first
11 voltage signal has remained above a voltage value determined
12 beforehand for a period of time equal to the duration of the time-
13 out sequence."

14 The '382 patent's specification states,

15 Preferably, a timer 64 is initiated once the OVP exceeds
16 the threshold, thereby initiating a time-out sequence.
17 The duration of the time-out is preferably designed
18 according to the requirement of the loads (e.g., CCFLs of
19 an LCD panel), but could alternately be set at some
20 programmable value. Drive pulses are disabled once the
21 time-out is reached, thus providing safe-operation output
22 of the converter circuit.

23 '382 patent, col.8:64 to col.9:3. This claim language provides no
24 support for MPS's assertion that the timer circuit measures two
25 time periods before the drive pulses are shut down. On the
26 contrary, the specification states that the drive pulses "are
27 disabled once the time-out is reached," which suggests that the

28 ³ The phrase "and continues to exceed" was not included in O2
Micro's proposed construction in the parties' Joint Claim
Construction and Prehearing Statement. (Docket No. 99.) O2 Micro
adds the phrase in its Opening Claim Construction Brief, asserting
that it is consistent with its claim construction position and is
intended to clarify its position. MPS and ASUSTeK do not object to
O2 Micro's new proffer.

1 "time-out" constitutes a single time period. Because neither the
2 specification nor any other intrinsic evidence indicates that the
3 timer circuit measures two separate time periods, the Court rejects
4 MPS's proposed construction and concludes that the timer circuit
5 measures only one "predetermined duration."

6 Accordingly, the Court construes this language to mean: "when
7 the above-mentioned first voltage signal exceeds and continues to
8 exceed a voltage value determined beforehand for the above-
9 mentioned time period."

10 3. "shutting down said first switch and said second
11 switch after said predetermined duration"

12 O2 Micro proposes that the Court construe this language as:
13 "turning off the first and second switches after the predetermined
14 duration has elapsed." To express their interpretation that the
15 timer circuit measures two time periods, MPS and ASUSTeK propose an
16 alternative construction: "turning off the first and second
17 switches when the time-out sequence has elapsed." Because the
18 Court concludes above that MPS and ASUSTeK's understanding is
19 incorrect, the Court rejects their proposed construction.
20 Accordingly, the Court construes the language to mean: "turning off
21 the first and second switches after the above-mentioned time period
22 has elapsed."

23 II. Summary Judgment

24 A. Legal Standard

25 Summary judgment is properly granted when no genuine and
26 disputed issues of material fact remain, and when, viewing the
27 evidence most favorably to the non-moving party, the movant is
28 clearly entitled to prevail as a matter of law. Fed. R. Civ.

1 P. 56; Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986);
2 Eisenberg v. Ins. Co. of N. Am., 815 F.2d 1285, 1288-89 (9th Cir.
3 1987).

4 The moving party bears the burden of showing that there is no
5 material factual dispute. Therefore, the court must regard as true
6 the opposing party's evidence, if supported by affidavits or other
7 evidentiary material. Celotex, 477 U.S. at 324; Eisenberg, 815
8 F.2d at 1289. The court must draw all reasonable inferences in
9 favor of the party against whom summary judgment is sought.

10 Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574,
11 587 (1986); Intel Corp. v. Hartford Accident & Indem. Co., 952 F.2d
12 1551, 1558 (9th Cir. 1991).

13 Material facts which would preclude entry of summary judgment
14 are those which, under applicable substantive law, may affect the
15 outcome of the case. The substantive law will identify which facts
16 are material. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248
17 (1986).

18 Where the moving party does not bear the burden of proof on an
19 issue at trial, the moving party may discharge its burden of
20 production by either of two methods. Nissan Fire & Marine Ins.
21 Co., Ltd., v. Fritz Cos., Inc., 210 F.3d 1099, 1106 (9th Cir.
22 2000).

23 The moving party may produce evidence negating an
24 essential element of the nonmoving party's case, or,
25 after suitable discovery, the moving party may show that
26 the nonmoving party does not have enough evidence of an
27 essential element of its claim or defense to carry its
28 ultimate burden of persuasion at trial.

Id.

If the moving party discharges its burden by showing an

1 absence of evidence to support an essential element of a claim or
2 defense, it is not required to produce evidence showing the absence
3 of a material fact on such issues, or to support its motion with
4 evidence negating the non-moving party's claim. Id.; see also
5 Lujan v. Nat'l Wildlife Fed'n, 497 U.S. 871, 885 (1990); Bhan v.
6 NME Hosps., Inc., 929 F.2d 1404, 1409 (9th Cir. 1991). If the
7 moving party shows an absence of evidence to support the non-moving
8 party's case, the burden then shifts to the non-moving party to
9 produce "specific evidence, through affidavits or admissible
10 discovery material, to show that the dispute exists." Bhan, 929
11 F.2d at 1409.

12 If the moving party discharges its burden by negating an
13 essential element of the non-moving party's claim or defense, it
14 must produce affirmative evidence of such negation. Nissan, 210
15 F.3d at 1105. If the moving party produces such evidence, the
16 burden then shifts to the non-moving party to produce specific
17 evidence to show that a dispute of material fact exists. Id.

18 If the moving party does not meet its initial burden of
19 production by either method, the non-moving party is under no
20 obligation to offer any evidence in support of its opposition. Id.
21 This is true even though the non-moving party bears the ultimate
22 burden of persuasion at trial. Id. at 1107.

23 Where the moving party bears the burden of proof on an issue
24 at trial, it must, in order to discharge its burden of showing that
25 no genuine issue of material fact remains, make a prima facie
26 showing in support of its position on that issue. UA Local 343 v.
27 Nor-Cal Plumbing, Inc., 48 F.3d 1465, 1471 (9th Cir. 1994). That
28 is, the moving party must present evidence that, if uncontroverted

1 at trial, would entitle it to prevail on that issue. Id.; see also
2 Int'l Shortstop, Inc. v. Rally's, Inc., 939 F.2d 1257, 1264-65 (5th
3 Cir. 1991). Once it has done so, the non-moving party must set
4 forth specific facts controverting the moving party's prima facie
5 case. UA Local 343, 48 F.3d at 1471. The non-moving party's
6 "burden of contradicting [the moving party's] evidence is not
7 negligible." Id. This standard does not change merely because
8 resolution of the relevant issue is "highly fact specific." Id.

9 B. Motions for Summary Adjudication and Summary
10 Judgment Based on Collateral Estoppel

11 O2 Micro moves for summary adjudication and MPS and ASUSTeK
12 move for summary judgment based on collateral estoppel with regard
13 to issues litigated in the '722 patent infringement action.
14 Collateral estoppel, or issue preclusion, bars re-litigation of
15 issues when:

16 (1) the issue necessarily decided at the previous
17 proceeding is identical to the one which is sought to be
18 relitigated; (2) the first proceeding ended with a final
judgment on the merits; and (3) the party against whom
collateral estoppel is asserted was a party or in privity
with a party at the first proceeding.

19 Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746 (9th
20 Cir. 2006). However, "it is inappropriate to apply collateral
21 estoppel when its effect would be unfair." Eureka Fed. Sav. & Loan
22 Ass'n v. Am. Cas. Co. of Reading, Pa., 873 F.2d 229, 234 (9th Cir.
23 1989).

24 1. O2 Micro's Motion for Summary Adjudication Based on
25 Collateral Estoppel

26 O2 Micro asserts that MPS and ASUSTeK are collaterally
27 estopped from re-litigating (1) the authenticity of schematics
28 dated "Feb., 18, 1998" and (2) the invention date of subject matter

1 common to the '382 and '722 patents. The Court has already
2 rejected O2 Micro's efforts to bar re-litigation of the
3 authenticity of the schematics. Thus, for the reasons stated in
4 its Order of October 29, 2009 Denying O2 Micro's Motion to Strike
5 (Docket No. 229), the Court denies O2 Micro's motion for summary
6 adjudication of this matter.

7 With regard to the invention date of the technology contained
8 in the '382 patent, O2 Micro argues that the jury in the trial on
9 the '722 patent necessarily decided that Dr. Yung-Lin Lin's
10 conception and reduction to practice of his invention predated
11 MPS's development of the MP1010. In that case, MPS asserted that
12 the MP1010 was developed by March 15, 1998.

13 As noted above, the jury concluded that the patent claims
14 asserted in the '722 trial were invalid based on the on-sale bar
15 and obviousness. However, the jury rejected MPS's position that
16 the asserted claims were invalid based on anticipation or prior
17 invention. In particular, the jury found that MPS did not meet its
18 burden to show that it invented the subject matter covered by the
19 relevant '722 claims before Dr. Lin. Although the jury rejected
20 MPS's claim of prior invention, the jury did not necessarily decide
21 that Dr. Lin conceived the subject matter and reduced it to
22 practice by February, 1998. The jury's rejection of MPS's
23 assertion merely shows that MPS did not meet its burden to
24 establish the existence of prior art. O2 Micro cannot transform
25 MPS's failure to meet its burden into an affirmative finding by the
26 jury on when the subject matter was conceived.

27 MPS and ASUSTeK note that, because O2 Micro offered false
28 testimony by Dr. Lin and O2 Micro executive Adam Badgett in the

1 trial on the '722 patent, it would be unfair to apply collateral
2 estoppel. O2 Micro does not dispute that inaccurate testimony was
3 offered in the '722 trial. Thus, even if the jury had necessarily
4 decided that Dr. Lin invented the common subject matter in
5 February, 1998, the Court would not collaterally estop MPS and
6 ASUSTeK from re-litigating this issue because the jury would have
7 made its decision based on inaccurate testimony.

8 Accordingly, the Court denies O2 Micro's motion for summary
9 adjudication of the date on which the subject matter common to the
10 '382 and '722 patents was conceived and reduced to practice.

11 2. MPS and ASUSTeK's Motion for Summary Judgment of
12 Invalidity Based on Collateral Estoppel

13 MPS and ASUSTeK move for summary judgment that the asserted
14 claims of the '382 patent are invalid based on the jury's
15 determination of the invalidity of the asserted claims in the trial
16 on the '722 patent.

17 Each claim of a patent is presumed valid independently of the
18 validity of other claims. 35 U.S.C. § 282. Thus, questions of
19 invalidity generally require a court to consider patent claims
20 individually. See Dayco Prods., Inc. v. Total Containment, Inc.,
21 329 F.3d 1358, 1370-71 (Fed. Cir. 2003). As MPS and ASUSTeK
22 concede, the '722 trial did not involve claims for "(1) a capacitor
23 divider, (2) a first feedback signal line coupled to the capacitor
24 divider, (3) a timer circuit coupled to the first feedback signal
25 line, or (4) a protection circuit coupled to the timer circuit,"
26 which are asserted here. MPS and ASUSTeK's Opening Br. at 15.
27 Thus, the jury did not necessarily decide the invalidity of the
28 claims asserted in this case. The Court accordingly denies MPS and

1 ASUSTeK's motion for summary judgment of invalidity based on
2 collateral estoppel.

3 C. MPS and ASUSTeK's Motion for Summary Judgment of Non-
4 infringement

5 MPS and ASUSTeK assert that they are entitled to summary
6 judgment of non-infringement because the timer circuit identified
7 in the accused products does not rely on a first voltage signal
8 that "exceeds and continues to exceed a voltage value determined
9 beforehand for the above-mentioned time period," as provided for in
10 the '382 patent's claim limitations. They maintain that a
11 phenomenon called "squegging" occurs in MPS's devices, which causes
12 the voltage signal to "periodically and consistently" fall within
13 the threshold range during the predetermined duration. Dunlavey
14 Decl., Ex. N at 35. O2 Micro agrees, stating that, in the accused
15 products, "the instantaneous voltage and some of the peaks of the
16 AC voltage . . . may fall within the predetermined threshold
17" O2 Micro Reply Br. at 17;⁴ see also Dunlavey Decl., Ex. M
18 at 164:3-9 (deposition of O2 Micro's expert Richard Flasck, stating
19 that the accused devices "squeg" and that the voltage signal varies
20 "on an instantaneous basis"). O2 Micro maintains that the products
21 nevertheless infringe because "the AC voltage continues to
22 periodically cycle back to peak values that exceed the
23 predetermined threshold, thereby 'continuing to exceed' the
24 threshold for the predetermined duration." O2 Micro Reply Br. at

25
26 ⁴ MPS and ASUSTeK move to strike pages 16-26 of O2 Micro's
27 Reply Brief, arguing that it exceeds the fifteen-page limit for
28 reply briefs. However, because O2 Micro's brief contains its reply
in support of its motions and its opposition to MPS and ASUSTeK
cross-motions, the Court denies MPS and ASUSTeK's motion to strike
pages 16-26 of O2 Micro's Reply Brief.

1 17. Because O2 Micro must prove infringement at trial, it bears
2 the burden of creating a genuine issue of material fact with
3 respect to infringement in order to avoid summary judgment.

4 O2 Micro's expert, Richard Flasck, asserts that, even though
5 the voltage signal in the accused products does not exceed the
6 threshold value for each cycle, a person having ordinary skill in
7 the art "would understand that determining 'when said first voltage
8 signal exceeds a predetermined threshold for said predetermined
9 duration' requires evaluating the time-varying AC waveform over
10 time, using the peak-to-peak values." Flasck Reply Decl. ¶ 4.⁵ He
11 asserts that it "is not correct to measure the voltage value at a
12 single instant or a single cycle of the waveform." Flasck Reply
13 Decl. ¶ 4. In other words, Mr. Flasck asserts that a skilled
14 artisan would find that the voltage signal in the accused products
15 meets the "exceeds and continues to exceed" limitation because,
16 over a given period of time, the signal, as measured by the peak-
17 to-peak values of the sinusoidal AC voltage waveform, exceeds the
18 threshold. Assuming what he says is true, "squegging" would not
19 preclude a jury from finding that the accused products infringe the
20 '382 patent.

21 Mr. Flasck's declaration creates a triable issue on non-
22 infringement. There is a genuine issue for trial, albeit narrow,
23 on whether a person having ordinary skill in the art would find
24

25 ⁵ MPS and ASUSTeK move to strike this paragraph of Mr.
26 Flasck's Reply Declaration, asserting that it constitutes
27 previously undisclosed expert opinion. See Fed. R. Civ. P.
28 26(a)(2). However, Mr. Flasck appears to have disclosed this
opinion in his August 31, 2009 deposition. Accordingly, the Court
denies MPS and ASUSTeK's motion to strike paragraph four of the
Flasck Reply Declaration.

1 that the accused products meet the '382 patent's claim limitations,
2 even though -- as O2 Micro admits -- MPS's products "squeg."
3 Accordingly, the Court denies MPS and ASUSTeK's motion for summary
4 judgment of non-infringement.

5 D. MPS and ASUSTeK's Motion for Summary Adjudication that No
6 Conception or Diligence Occurred Prior to July 22, 1999

7 MPS and ASUSTeK assert that they are entitled to summary
8 adjudication⁶ that the earliest invention date for the '382 patent
9 is July 22, 1999, the date that Dr. Lin filed U.S. Provisional
10 Application No. 60/145,118. They assert that O2 Micro fails to
11 corroborate Dr. Lin's testimony that he invented it earlier.⁷ At
12 trial, O2 Micro would bear the burden of proof of an earlier
13 priority date if MPS and ASUSTeK make a prima facie claim of
14 invalidity based on prior art. See PowerOasis, Inc. v. T-Mobile
15 USA, Inc., 522 F.3d 1299, 1305-06 (Fed. Cir. 2008).

16 To establish a priority date, a patentee may demonstrate

17
18 ⁶ In its Opening Brief, MPS and ASUSTeK denominated this
19 matter a motion for summary judgment. However, a priority "date in
20 and of itself is not a claim or defense on which summary judgment
21 can be granted" Star Scientific, Inc. v. R.J. Reynolds
Tobacco Co., 537 F.3d 1357, 1365 n.6 (Fed. Cir. 2008). MPS and
ASUSTeK correctly entitled their requested relief in their Surreply
Brief, stating that they were seeking summary adjudication on this
issue.

22 ⁷ O2 Micro incorrectly asserts that, because MPS and ASUSTeK
23 have failed to establish a prima facie case of invalidity under 35
24 U.S.C. § 102(g), it does not bear the burden to present evidence to
25 establish an invention date earlier than July 22, 1999. However,
26 MPS and ASUSTeK are not moving for summary judgment of invalidity,
27 a defense for which they would bear the burden of proof at trial.
28 Instead, they move for summary adjudication on the invention date
of the '382 patent, which is an element of an invalidity defense.
Pursuant to Federal Rule of Civil Procedure 56(d), the Court may
deem certain facts established before trial to narrow the issues
that must be litigated. Lies v. Farrell Lines, Inc., 641 F.2d 765,
769 n.3 (9th Cir. 1981); see also Rambus Inc v. Samsung Elecs. Co.,
Ltd., 2008 WL 3875397, at *3 (N.D. Cal.).

1 "conception coupled with reasonable diligence in reducing the
2 invention to practice" Singh v. Brake, 317 F.3d 1334, 1340
3 (Fed. Cir. 2003). "A conception must encompass all limitations of
4 the claimed invention and is complete only when the idea is so
5 clearly defined in the inventor's mind that only ordinary skill
6 would be necessary to reduce the invention to practice, without
7 extensive research or experimentation." Id. When a putative
8 inventor's oral testimony is used to demonstrate conception,
9 corroborating evidence must be provided, preferably in the form of
10 a contemporaneous disclosure. Id.; Burroughs Wellcome Co. v. Barr
11 Labs., Inc., 40 F.3d 1223, 1228 (Fed. Cir. 1994).

12 O2 Micro asserts that "because the requirement of
13 corroboration is, at bottom, an issue of credibility," this matter
14 is not proper for summary adjudication. O2 Micro Reply Br. at 22.
15 However, controlling precedent holds otherwise. An inventor "'must
16 provide independent corroborating evidence in addition to his own
17 statements and documents.'" Martek Biosciences Corp. v. Nutrinova,
18 Inc., 579 F.3d 1363, 1375 (Fed. Cir. 2009) (quoting Hahn v. Wong,
19 892 F.2d 1028, 1032 (Fed. Cir. 1989)). Thus, in addition to
20 providing the testimony of the inventor, whose credibility can be
21 judged by a jury, a patentee must offer independent corroborating
22 evidence to establish a priority date earlier than the application
23 filing date.

24 O2 Micro asserts that Dr. Lin's schematics corroborate his
25 claim that he conceived the subject matter of the '382 patent on
26 February 18, 1998. However, the schematics do not constitute
27 independent corroborating evidence because there is no evidence
28 that anyone other than Dr. Lin himself dated the schematics. O2

1 Micro offers no other evidence that Dr. Lin conceived of the
2 invention prior to July 22, 1999. Furthermore, O2 Micro offers no
3 evidence that Dr. Lin was diligent in reducing his invention to
4 practice prior to July, 1999.

5 Because O2 Micro fails to provide any independent
6 corroborating evidence, the Court grants MPS and ASUSTeK's motion
7 for summary adjudication that the invention claimed by the '382
8 patent was not conceived or diligently reduced to practice before
9 July 22, 1999.

10 E. MPS and ASUSTeK's Motion for Summary Adjudication of Lack
11 of Willfulness

12 MPS and ASUSTeK assert that they are entitled to summary
13 adjudication on O2 Micro's claim that it committed willful
14 infringement warranting enhanced damages.

15 To demonstrate that a defendant willfully infringed, a
16 patentee must show at least "objective recklessness." In re
17 Seagate Tech., LLC, 497 F.3d 1360, 1371 (Fed. Cir. 2007). Proving
18 objective recklessness entails a two-step process. First, a
19 patentee must prove by "clear and convincing evidence that the
20 infringer acted despite an objectively high likelihood that its
21 actions constituted infringement of a valid patent." Id. Once
22 this threshold showing is made, "the patentee must also demonstrate
23 that this objectively-defined risk (determined by the record
24 developed in the infringement proceeding) was either known or so
25 obvious that it should have been known to the accused infringer."

26 MPS and ASUSTeK assert that, because O2 Micro did not move for
27 a preliminary injunction in this case, it is barred from pursuing a
28 claim for willful infringement and enhanced damages. They cite

1 Seagate, which states that a "patentee who does not attempt to stop
2 an accused infringer's activities [through a preliminary
3 injunction] should not be allowed to accrue enhanced damages based
4 solely on the infringer's post-filing conduct." 497 F.3d at 1374.
5 However, Seagate does not state that the failure to seek a
6 preliminary injunction bars recovery based on pre-filing conduct.
7 See Acco Brands, Inc. v. PC Guardian Anti-Theft Prods., Inc., 592
8 F. Supp. 2d 1208, 1227 (N.D. Cal. 2008). As O2 Micro notes, its
9 claim for willful infringement is not limited to post-filing
10 conduct. By failing to seek a preliminary injunction against
11 further infringement, O2 Micro failed to mitigate its losses, but
12 this result does not bar its willfulness claim altogether.

13 Nevertheless, O2 Micro fails to create a triable issue on
14 willful infringement and enhanced damages. Because it carries the
15 burden to prove these issues, it must proffer evidence concerning
16 the threshold showing of recklessness, described above. It does
17 not. Instead, O2 Micro argues that the "inherent weakness of
18 [Counterclaim-Defendants'] claim construction positions and non-
19 infringement defenses speaks volumes about the objectively high
20 risk of infringement in this action." O2 Micro Reply Br. at 25.
21 This conclusory argument is not sufficient to meet O2 Micro's
22 burden.

23 Accordingly, the Court summarily adjudicates that, if MPS and
24 ASUSTeK infringed, they did not do so willfully.

25 III. O2 Micro's Evidentiary Objections

26 O2 Micro objects to evidence submitted by MPS and ASUSTeK
27 along with their surreply brief. If the Court were to admit MPS
28 and ASUSTeK's evidence, O2 Micro moves, in the alternative, to

1 supplement the record.

2 In rendering its decision, the Court did not rely on the
3 evidence to which O2 Micro objected. Accordingly, its objections
4 are overruled as moot and the Court denies as moot O2 Micro's
5 alternative motion to supplement the record.

6 IV. O2 Micro's Second Motion to Supplement the Record

7 One week before the hearing on these motions, O2 Micro filed
8 another motion for leave to supplement the record with evidence
9 from the October, 2009 hearings in the parallel ITC proceeding.
10 This material appears to support O2 Micro's opposition to MPS and
11 ASUSTeK's summary judgment motion of non-infringement. O2 Micro
12 moves, in the alternative, to re-open discovery pursuant to Federal
13 Rule of Civil Procedure 56(f).

14 Because the existing record is sufficient to deny MPS and
15 ASUSTeK's summary judgment motion, the Court denies O2 Micro's
16 motion for leave to supplement the record and its alternative
17 motion to re-open discovery.

18 CONCLUSION

19 For the foregoing reasons, the Court construes the disputed
20 claim language in the manner explained above. The Court DENIES O2
21 Micro's motion for summary adjudication (Docket No. 157); DENIES
22 MPS and ASUSTeK's Motion for summary judgment of invalidity and
23 non-infringement (Docket No. 233); GRANTS MPS and ASUSTeK's motion
24 for summary adjudication that no conception or diligence occurred
25 prior to July 22, 1999 (Docket No. 233); GRANTS MPS and ASUSTeK's
26 motion for summary adjudication of lack of willfulness (Docket No.
27 233); DENIES MPS and ASUSTeK's Motion to Strike (Docket No. 233);
28 OVERRULES as moot O2 Micro's objections to evidence submitted by

1 MPS and ASUSTeK in support of their surreply brief and DENIES as
2 moot its alternative motion to supplement the record (Docket No.
3 252); and DENIES O2 Micro's second motion for leave to supplement
4 the record (Docket No. 250).

5 A final pretrial conference is scheduled for June 29, 2010 at
6 2:00 p.m. Trial is scheduled to begin on July 12, 2010 at 8:30
7 a.m.

8 IT IS SO ORDERED.

9
10 Dated: February 16, 2010



CLAUDIA WILKEN
United States District Judge